FEB 1952 31-4AA CENTRAL INTELLIGENCE AGENCY CLASSIFICATION SECRET INFORMATION REPORT REPORT CD NO. COUNTRY Hong Kong/China/Macao/Japan DATE DISTR. 7 November 1952 SUBJECT Chinese Communist Commercial Activities NO. OF PAGES 3 NO. OF ENCLS. (LISTED BELOW) SUPPLEMENT TO 25X1 REPORT NO. 25X1 THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENS OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 79 THIS IS UNEVALUATED INFORMATION AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVE-LATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON I PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED 25X1 2. During July 1952 approximately 2,300 tons of strategic goods were moved from Macao to Communist China, principally to the ports of Kongmoon and Canton. 25X1 Of this total tonnage, 400 tons of motor fuel and 50 tons of steel plate were sent by sea from Macao to Amoy in Diesel-motored vessels of approximately 150 to 200 tons each. 25X1 From 25 July to 23 August approximately 1,000 tons of strategic goods, including metals, machinery and spare parts, industrial chemicals, electrical supplies and pharmaceuticals, were moved from Macao to Chiuéhou and the Customs Office at Tiaishan for transshipment to Canton. Vessels involved in transporting 25X1 CLASSIFICATION SECRET 25X1 25X1 STATE DISTRIBUTION COMNAVS:

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25X1 SECRET - 2 -4. During August 1952, 4,000 tons of strategic goods, including radio equipment, industrial chemicals, metals and pharmaceuticals, were smuggled from Macao to mainland ports, including Amoy. Despite the trade restrictions which were in effect during the negotiations between Chinese Communist and Portuguese authorities after the Macao border incident, the volume of goods smuggled during the month of 25X1 August exceeded the totals for both June and July. 25X1 25X1 7. In late August radio equipment valued at about HK \$2,500,000 was expected to arrive in Macao from Japan for transshipment to Communist China. 25X1 In late August 1952 the Chinese Communists consigned approximately 100,000 Chinese silver dollars, valued at about US \$100,000, 25X1

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